

## Message Text

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PAGE 01 TEHRAN 04249 041304Z  
ACTION OES-07

INFO OCT-01 NEA-11 ISO-00 DOE-15 SOE-02 CIAE-00 INR-10

NSAE-00 EB-08 COME-00 /054 W

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P 041144Z MAY 78  
FM AMEMBASSY TEHRAN  
TO SECSTATE WASHDC PRIORITY 8143

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EO 11652: N/A

TAGS: EALR, ENRG, IR

SUBJ: THE DUST SETTLES SLIGHTLY AT NIOC

REF: A. TEHRAN 2120, B. TEHRAN 1691

1. EVEN THOUGH TEN WEEKS HAVE PASSED SINCE THE RESIGNATIONS OF MINA AND NABEGH FROM THEIR OPERATIONAL RESPONSIBILITIES WERE ACCEPTED (REF A), THERE HAS STILL BEEN NO OFFICIAL ANNOUNCEMENT, BY NIOC OR THE GOI, OF THEIR DEPARTURE OR OF THEIR REPLACEMENT. HOWEVER, ALL OF OUR SOURCES REPORT THAT THEIR CONTACT WITH NIOC HAS BEEN COMPLETELY SEVERED. ACCORDING TO FAIRLY CREDITABLE RUMORS CIRCULATING IN TEHRAN, MINA AND NABEGH INTED TO ESTABLISH THEMSELVES AS PARTNERS AND ENERGY CONSULTANTS IN LONDON.

2. IN ORDER FOR THE DEPT TO UNDERSTAND WHAT WE HAVE HEARD OR CONCLUDED ABOUT THE CHANGES IN NIOC'S HIERARCHY, WE WILL BRIEFLY EXPLAIN PERTINENT PROVISIONS OF THE NIOC CORPORATE CHARTER. ACCORDING TO THE CURRENT CHARTER WHICH WAS PROMULGATED LAST YEAR, AN ENGLISH TRANSLATION OF WHICH IS STILL NOT AVAILABLE, THE BOARD OF DIRECTORS IS COMPOSED OF THE MANAGING DIRECTOR AND CHAIRMAN OF THE BOARD AND SEVEN DIRECTORS. THE DIRECTORS ARE NOMINATED BY THE MANAGING DIRECTOR BUT

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ARE APPOINTED BY ROYAL DECREE. TWO DEPUTY MANAGING DIRECTORS MAY BE APPOINTED BY THE MANAGING DIRECTOR BUT THEY DO NOT THEREBY ACQUIRE MEMBERSHIP OR A VOTE ON THE BOARD.

3. ACCORDING TO OUR SOURCES, MINA AND NABEGH HAVE LOST THEIR POSITIONS AS NIOC DIRECTORS AND WILL BE RETIRED,

ALTHOUGH JUST HOW IS NOT CLEAR. SEVERAL WELL-PLACED NIOC CONTACTS MAINTAIN THAT THE SHAH HAS TAKEN SOME ACTION SHORT OF SIGNING A FORMAL, PUBLIC DECREE WHICH RESULTED IN A) THE REMOVAL OF MINA AND NABEGH, AND B) THE APPOINTMENT OF MEHRAN AND NAJMABADI TO THE BOARD OF DIRECTORS. CONSEQUENTLY, MEHRAN AND NAJMABADI MAY BE CONSIDERED AS REPLACEMENTS FOR MINA AND NABEGH (SINCE THERE ARE NO VACANT SEATS ON THE BOARD OF DIRECTORS), BUT THEY ALSO HAVE MUCH BROADER RESPONSIBILITIES THAN DID MINA AND NABEGH BY VIRTUE OF THEIR APPOINTMENT AS DEPUTY MANAGING DIRECTORS.

4. MINA'S OLD RESPONSIBILITIES ARE LARGEMLY BEING PERFORMED BY MEHRAN, WITH ALTERNATE BOARD MEMBER AND ASSISTANT DIRECTOR FOR INTERNATIONAL AFFAIRS MASOUD MODIR AND DEPUTY DIRECTOR FOR INTERNATIONAL AFFAIRS GHOBAD FAKHIMI CARRYING PERHAPS A BIT MORE OF THE LOAD THAN THEY HAD AS MIN'S DEPUTIES. NABEGH'S OLD RESPONSIBILITIES HAVE LARGEMLY BEEN TAKEN OVER BY NAJMABADI, BUT WE ALSO UNDERSTAND THAT DEPUTY DIRECTOR FOR EXPLORATION AND PRODUCTION NAGHI BANIRIAH NANDLES MANY OF THE MORE ROUTINE MATTERS THAT HAD BEEN NABEGH'S RESPONSIBILITY.

5. MOST OF THE RUMORS CONCERNING FURTHER CHANGES AT THE DIRECTOR LEVEL HAVE DIED DOWN. HOWEVER, WE STILL LIMITED OFFICIAL USE

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BELIEVE THAT IT IS ONLY A MATTER OF TIME BEFORE JALINOOS IS FORCED OUT; AND, WE WILL NOT BE SURPRISED WHEN, AFTER A "DECENT INTERVAL", OTHER HIGH LEVEL CHANGES OCCUR.  
SULLIVAN

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NNN

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